

AMENDED IN ASSEMBLY MAY 8, 2013

AMENDED IN ASSEMBLY APRIL 22, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1021

Introduced by Assembly Member Eggman
(Coauthors: Assembly Members Chesbro and Williams)

February 22, 2013

An act to amend Section 26003 of the Public Resources Code, relating to alternative energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1021, as amended, Eggman. Alternative energy: recycled feedstock.

Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance for projects that promote the use of alternative energies. Existing law authorizes the authority to approve a project for financial assistance in the form of the sales and use tax exclusion.

This bill would expand projects eligible for the sales and use tax exclusion to include projects that process or utilize recycled feedstock, as defined, that is intended to be reused in the production of another product or soil amendment.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 26003 of the Public Resources Code, as amended by Section 5 of Chapter 677 of the Statutes of 2012, is amended to read:

26003. (a) As used in this division, unless the context otherwise requires:

(1) (A) “Advanced manufacturing” means manufacturing processes that improve existing, or create entirely new materials, products, and processes through the use of science, engineering, or information technologies, high-precision tools and methods, a high-performance workforce, and innovative business or organizational models utilizing any of the following technology areas:

(i) ~~Micro~~—*Microelectronics* and nanoelectronics, including semiconductors.

(ii) Advanced materials.

(iii) Integrated computational materials engineering.

(iv) Nanotechnology.

(v) Additive manufacturing.

(vi) Industrial biotechnology.

(B) “Advanced manufacturing” includes all of the following:

(i) Systems that result from substantive advancement, whether incremental or breakthrough, beyond the current industry standard, in the production of materials and products. These advancements include improvements in manufacturing processes and systems that are often referred to as “smart” or “intelligent” manufacturing systems, which integrate computational predictability and operational efficiency.

(ii) (I) Sustainable manufacturing systems and manufacturing technologies that minimize the use of resources while maintaining or improving cost and performance.

(II) Sustainable manufacturing systems and manufacturing technologies do not include those required to be undertaken pursuant to state or federal law or regulations, air district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents. The State Air Resources Board shall advise the authority to ensure that the requirements of this clause are met.

1 (2) (A) “Advanced transportation technologies” means
2 emerging commercially competitive transportation-related
3 technologies identified by the authority as capable of creating
4 long-term, high value-added jobs for Californians while enhancing
5 the state’s commitment to energy conservation, pollution and
6 greenhouse gas emissions reduction, and transportation efficiency.

7 (B) “Advanced transportation technologies” does not include
8 those projects required to be undertaken pursuant to state or federal
9 law or regulations, air district rules or regulations, memoranda of
10 understanding with a governmental entity, or legally binding
11 agreements or documents. The State Air Resources Board shall
12 advise the authority regarding projects that are excluded pursuant
13 to this subparagraph.

14 (3) (A) “Alternative sources” means devices or technologies
15 used for a renewable electrical generation facility, as defined in
16 paragraph (1) of subdivision (a) of Section 25741, a combined
17 heat and power system, as defined in Section 2840.2 of the Public
18 Utilities Code, distributed generation and energy storage
19 technologies eligible under the self-generation incentive program
20 pursuant to Section 379.6 of the Public Utilities Code, as
21 determined by the Public Utilities Commission, or a facility
22 designed for the production of renewable fuels, the efficient use
23 of which reduce the use of fossil or nuclear fuels, and energy
24 efficiency devices or technologies that reduce the need for new
25 electric generation and reduce emissions of toxic and criteria
26 pollutants and greenhouse gases.

27 (B) “Alternative sources” does not include a hydroelectric
28 facility that does not meet state laws pertaining to the control,
29 appropriation, use, and distribution of water, including, but not
30 limited to, the obtaining of applicable licenses and permits.

31 (4) “Authority” means the California Alternative Energy and
32 Advanced Transportation Financing Authority established pursuant
33 to Section 26004, and any board, commission, department, or
34 officer succeeding to the functions of the authority, or to which
35 the powers conferred upon the authority by this division shall be
36 given.

37 (5) “Cost” as applied to a project or portion of the project
38 financed under this division means all or part of the cost of
39 construction and acquisition of all lands, structures, real or personal
40 property or an interest in the real or personal property, rights,

1 rights-of-way, franchises, easements, and interests acquired or
2 used for a project; the cost of demolishing or removing any
3 buildings or structures on land so acquired, including the cost of
4 acquiring any lands to which those buildings or structures may be
5 moved; the cost of all machinery, equipment, and furnishings,
6 financing charges, interest prior to, during, and for a period after,
7 completion of construction as determined by the authority;
8 provisions for working capital; reserves for principal and interest
9 and for extensions, enlargements, additions, replacements,
10 renovations, and improvements; the cost of architectural,
11 engineering, financial, accounting, auditing and legal services,
12 plans, specifications, estimates, administrative expenses, and other
13 expenses necessary or incident to determining the feasibility of
14 constructing any project or incident to the construction, acquisition,
15 or financing of a project.

16 (6) “Financial assistance” includes, but is not limited to, loans,
17 loan loss reserves, interest rate reductions, proceeds of bonds issued
18 by the authority, bond insurance, loan guarantees or other credit
19 enhancements or liquidity facilities, contributions of money, or a
20 combination thereof, as determined by, and approved by the
21 resolution of, the board.

22 (7) (A) “Participating party” means a person, federal or state
23 agency, department, board, authority, or commission, state or
24 community college, or university, or a city or county, regional
25 agency, public district, school district, or other political entity
26 engaged in the business or operations in the state, whether
27 organized for profit or not for profit, that applies for financial
28 assistance from the authority for the purpose of implementing a
29 project.

30 (B) For the purposes of Section 6010.8 of the Revenue and
31 Taxation Code, “participating party” means an entity specified in
32 subparagraph (A) that seeks financial assistance pursuant to Section
33 26011.8.

34 (8) (A) “Project” means a land, building, improvement to the
35 land or building, rehabilitation, work, property, or structure, real
36 or personal, stationary or mobile, including, but not limited to,
37 machinery and equipment, whether or not in existence or under
38 construction, that utilizes, or is designed to utilize, an alternative
39 source, or that is utilized for the design, technology transfer,
40 manufacture, production, assembly, distribution, or service of

1 advanced transportation technologies or alternative source
2 components.

3 (B) “Project,” for the purposes of Section 26011.8 and Section
4 6010.8 of the Revenue and Taxation Code, means any tangible
5 personal property that processes or utilizes recycled feedstock
6 that is intended to be reused in the production of another product
7 or soil amendment, or that is utilized for the design, manufacture,
8 production, or assembly of advanced manufacturing, advanced
9 transportation technologies, or alternative source products,
10 components, or ~~system~~ *systems*.

11 (9) “Recycled feedstock” means material that would otherwise
12 be destined for disposal, having completed its intended end use
13 and product lifecycle, that is intended to be reused in the production
14 of another product or soil amendment.

15 (10) “Revenue” means all rents, receipts, purchase payments,
16 loan repayments, and all other income or receipts derived by the
17 authority from a project, or the sale, lease, or other disposition of
18 alternative source or advanced transportation technology facilities,
19 or the making of loans to finance alternative source or advanced
20 transportation technology facilities, and any income or revenue
21 derived from the investment of ~~money~~ *moneys* in any fund or
22 account of the authority.

23 (b) This section shall become inoperative on July 1, 2016, and,
24 as of January 1, 2017, is repealed, unless a later enacted statute,
25 that becomes operative on or before January 1, 2017, deletes or
26 extends the dates on which it becomes inoperative and is repealed.

27 SEC. 2. Section 26003 of the Public Resources Code, as added
28 by Section 6 of Chapter 677 of the Statutes of 2012, is amended
29 to read:

30 26003. (a) As used in this division, unless the context
31 otherwise requires:

32 (1) (A) “Advanced transportation technologies” means
33 emerging commercially competitive transportation-related
34 technologies identified by the authority as capable of creating
35 long-term, high value-added jobs for Californians while enhancing
36 the state’s commitment to energy conservation, pollution and
37 greenhouse gas emissions reduction, and transportation efficiency.

38 (B) “Advanced transportation technologies” does not include
39 those projects required to be undertaken pursuant to state or federal
40 law or regulations, air district rules or regulations, memoranda of

1 understanding with a governmental entity, or legally binding
2 agreements or documents. The State Air Resources Board shall
3 advise the authority regarding projects that are excluded pursuant
4 to this subparagraph.

5 (2) (A) “Alternative sources” means devices or technologies
6 used for a renewable electrical generation facility, as defined in
7 paragraph (1) of subdivision (a) of Section 25741, a combined
8 heat and power system, as defined in Section 2840.2 of the Public
9 Utilities Code, distributed generation and energy storage
10 technologies eligible under the self-generation incentive program
11 pursuant to Section 379.6 of the Public Utilities Code, as
12 determined by the Public Utilities Commission, or a facility
13 designed for the production of renewable fuels, the efficient use
14 of which reduce the use of fossil or nuclear fuels, and energy
15 efficiency devices or technologies that reduce the need for new
16 electric generation and reduce emissions of toxic and criteria
17 pollutants and greenhouse gases.

18 (B) “Alternative sources” does not include a hydroelectric
19 facility that does not meet state laws pertaining to the control,
20 appropriation, use, and distribution of water, including, but not
21 limited to, the obtaining of applicable licenses and permits.

22 (3) “Authority” means the California Alternative Energy and
23 Advanced Transportation Financing Authority established pursuant
24 to Section 26004, and any board, commission, department, or
25 officer succeeding to the functions of the authority, or to which
26 the powers conferred upon the authority by this division shall be
27 given.

28 (4) “Cost” as applied to a project or portion of the project
29 financed under this division means all or part of the cost of
30 construction and acquisition of all lands, structures, real or personal
31 property or an interest in the real or personal property, rights,
32 rights-of-way, franchises, easements, and interests acquired or
33 used for a project; the cost of demolishing or removing any
34 buildings or structures on land so acquired, including the cost of
35 acquiring any lands to which those buildings or structures may be
36 moved; the cost of all machinery, equipment, and furnishings,
37 financing charges, interest prior to, during, and for a period after,
38 completion of construction as determined by the authority;
39 provisions for working capital; reserves for principal and interest
40 and for extensions, enlargements, additions, replacements,

1 renovations, and improvements; the cost of architectural,
2 engineering, financial, accounting, auditing and legal services,
3 plans, specifications, estimates, administrative expenses, and other
4 expenses necessary or incident to determining the feasibility of
5 constructing any project or incident to the construction, acquisition,
6 or financing of a project.

7 (5) “Financial assistance” includes, but is not limited to, loans,
8 loan loss reserves, interest rate reductions, proceeds of bonds issued
9 by the authority, bond insurance, loan guarantees or other credit
10 enhancements or liquidity facilities, contributions of money, or a
11 combination thereof, as determined by, and approved by the
12 resolution of, the board.

13 (6) (A) “Participating party” means a person, federal or state
14 agency, department, board, authority, or commission, state or
15 community college, or university, or a city or county, regional
16 agency, public district, school district, or other political entity
17 engaged in the business or operations in the state, whether
18 organized for profit or not for profit, that applies for financial
19 assistance from the authority for the purpose of implementing a
20 project.

21 (B) For the purposes of Section 6010.8 of the Revenue and
22 Taxation Code, “participating party” means an entity specified in
23 subparagraph (A) that seeks financial assistance pursuant to Section
24 26011.8.

25 (7) (A) “Project” means a land, building, improvement to the
26 land or building, rehabilitation, work, property, or structure, real
27 or personal, stationary or mobile, including, but not limited to,
28 machinery and equipment, whether or not in existence or under
29 construction, that utilizes, or is designed to utilize, an alternative
30 source, or that is utilized for the design, technology transfer,
31 manufacture, production, assembly, distribution, or service of
32 advanced transportation technologies or alternative source
33 components.

34 (B) “Project,” for the purposes of Section 26011.8 and Section
35 6010.8 of the Revenue and Taxation Code, means any tangible
36 personal property that processes or utilizes recycled feedstock
37 that is intended to be reused in the production of another product
38 or soil amendment, or that is utilized for the design, manufacture,
39 production, or assembly of advanced transportation technologies

1 or alternative source products, components, or ~~systems, or that~~
2 ~~processes or utilizes recycled feedstock systems.~~

3 (8) “Recycled feedstock” means material that would otherwise
4 be destined for disposal, having completed its intended end use
5 and product lifecycle, that is intended to be reused in the production
6 of another product or soil amendment.

7 (9) “Revenue” means all rents, receipts, purchase payments,
8 loan repayments, and all other income or receipts derived by the
9 authority from a project, or the sale, lease, or other disposition of
10 alternative source or advanced transportation technology facilities,
11 or the making of loans to finance alternative source or advanced
12 transportation technology facilities, and any income or revenue
13 derived from the investment of money in any fund or account of
14 the authority.

15 (b) This section shall become operative on July 1, 2016.